

No. 21752

---

---

IN THE

AUG 5 1968

**United States Court of Appeals  
for the Ninth Circuit**

---

SUPER MOLD CORPORATION,

*Appellant,*

vs.

CLAPP'S EQUIPMENT DIVISION, INC.,

*Appellee.*

---

PETITION FOR REHEARING AND  
SUGGESTION OF REHEARING IN BANC  
FILED BY PETITIONER  
SUPER MOLD CORPORATION

---

FULWIDER, PATTON, RIEBER, LEE & UTECHT  
FRANCIS A. UTECHT  
820 Edison Building  
100 Long Beach Boulevard  
Long Beach, California 90802

*Attorneys for Petitioner*

---

---

LONG BEACH REPORTER

FILED

JUL 23 1968

WIL B. LUCK, CLERK



## SUGGESTION FOR REHEARING IN BANC

Pursuant to Rule 35 (b), Federal Rules of Appellate Procedure petitioner suggests the appropriateness of rehearing this matter in banc. Such appropriateness is necessary to maintain uniformity of this decision with the decision of this Court in *Neff Instrument Corp. v. Cohu Electronics, Inc.*, 269 F.2d 668. In *Neff* this Court held that on appeal from order granting defendant's motion for summary judgment, this Court must give the plaintiff the benefit of every doubt. It will be apparent from the accompanying Petition For Rehearing that this Court did not give plaintiff the benefit of the doubt in this case.

Additionally, this proceeding involves a question of exceptional importance namely, whether or not improvements made to a device during an experimental program must themselves be patentable in order to establish an experimental use. No statutory nor decisional law could be found justifying this concept. It would be extremely unfortunate if this unsound doctrine became law as a result of this decision.



## PLAINTIFF-APPELLANT'S PETITION FOR REHEARING

It is the opinion of petitioner Super Mold Corporation that this Court in rendering its decision of July 11, 1968 overlooked certain critical facts and misapprehended not only the patent law but also the law governing the propriety of granting a Motion for Summary Judgment.

With respect to the errors of fact, the Court found a public use despite the inventor's affidavit that his intention in conducting the Sears' program was to carry out a crash experimental program, the Court specifically holding "Fike's testimony concerning his subjective intent has no probative force when weighed against the *overwhelming objective evidence* to the contrary". Such *overwhelming* evidence consisted of the following:

1. The inventor's deposition testimony appearing at the lower portion of Page 3 of the printed decision.
2. The shipping of the 248 aligners and the payment therefor prior to the critical date.
3. The advertising and display of the aligners prior to the critical date.
4. Quotation of the price of the aligner and the offering of one aligner as a door prize prior to the critical date.
5. The failure to mention or suggest an experimental program in the correspondence between Sears and Super Mold.

Referring to the above items of evidence, Item 5 con-

stitutes an important error of fact since the Court completely overlooked the letter of Nov. 5, 1958 from the inventor to Sears, with copies being sent to each of the Sears' plants. This letter (Appendix A to Plaintiff-Appellant's Opening Brief) details three serious operational failures encountered in the aligners during the Sears' experimental program, such failures being sufficiently serious to effect a complete breakdown of his Sears' molding apparatus. It should be quite apparent that this letter constitutes objective evidence that the Sears' program involved an experimental use and not a public use. *Certainly such a letter detailing the causes of machine breakdown is not the type sent to the purchaser of a commercially operable device.*

Turning now to Item 1 above, the fact that the inventor considered the Sears' program to be a commercial transaction does not render the Sears' program a public use, any more than the fact that the use of the public highway in the leading *Elizabeth v. Pavement Co.* case (cited by this Court in this decision) was a public use because the invention was directed to construction of a public highway. Obviously, in any experimental use situation a commercial transaction is concerned since inventors are normally engaged in business transactions rather than eleemosynary projects.

Next, with respect to Item 2, the fact that 248 aligners were shipped and paid for prior to the critical date does not render the Sears' program a public use any more than the shipping of and payment for the devices involved any experimental use case results in a public

use. In the *Progressive Engineering, Great Lakes Carbon and Ushakoff* cases cited in Appellant's briefs as upholding an experimental use, delivery and payment took place before the critical date (412 devices in *Progressive Engineering*). So far as payment is concerned in this case, it should be noted that Super Mold did not have sufficient capital to carry out the Sears' program unless it received payment for the aligners as they were delivered.

Regarding Item 3, it is clearly established patent law that public display of a device does not constitute a public use where the device is undergoing experimentation. By way of example, in *Elizabeth v. Pavement Co.* the Supreme Court stated that although the invention was publically used and in clear public sight for six years before a patent application was filed, a public use did not occur because the inventor was testing and developing the invention. In this case, it is uncontradicted that the inventor was testing and developing his invention prior to and after the critical date.

As to Item 4, the mere fact that prices were quoted and an aligner offered as a door prize prior to the critical date cannot constitute a public use since Super Mold did not even have aligners for sale prior to the critical date, the aligners being sold to others than Sears only after completion of the experimental program.

It will therefore be clear that of the five points this Court relied upon as establishing "overwhelming objective evidence" of a public use, *Item 5 is directly con-*

*trary to the facts and the other four items could as readily demonstrate that the Sears' program involved an experimental use as a public use.* On the other hand, the Court completely ignored important objective evidence demonstrating the Sears' program was directed to an experimental use rather than a public use. Such evidence includes, in addition to the aforementioned Fike letter of November 5, 1958, the facts that the aligners were hand-built one at a time rather than being constructed by the assembly line method as in the case of other Super Mold products, that the inventor closely followed the operation of the aligners and upon receiving a report of a breakdown in any particular machine he redesigned the faulty part and replaced such part in each of the Sears' machines, and the Sears' program involved a single sale to a single customer — the aligners were not on unrestricted sale to the retreading trade.

The above objective evidence appears in the record. During the hearing on the Motion for Summary Judgment petitioner's counsel pleaded for an opportunity to produce witnesses for the purpose of providing additional evidence, such counsel pointing out that this evidence could only be adduced by means of a trial. Such plea was first ignored by the District Court and then by this Court.

It should be clear that had this Court properly analyzed the objective evidence it would have concluded that the Sears' program involved an experimental rather than a public use. Even if such conclusion was not

reached, certainly petitioner presented sufficient objective evidence of an experimental use to at least have created a doubt in the Court's mind on this point.

Prior to receiving the decision in this case petitioner understood that the law in this Circuit regarding the propriety of granting a Motion for Summary Judgment was still the same as expressed by this Court in *Neff Instrument Corp. v. Cohu Electronics*, 269 F.2d 668 (August 1959), wherein it was held:

“On appeal from an order granting defendants' motion for summary judgment the Circuit Court of Appeals must give the plaintiff the benefit of every doubt.

Certainly, however, the Court in this case failed to give plaintiff the benefit of every doubt. Accordingly, the Court did not apply the law as set forth in *Neff*. *If Neff is still good law the Court in this case then is not in uniformity with Neff.*

In addition to the aforementioned errors of fact this Court misapprehended the patent laws to petitioner's detriment. Thus, the Court in finding a public use repeatedly referred to the fact that the modifications made in the aligners did not appear in the patent application, the Court making note of this fact at three separate instances in its decision. Because such modifications did not appear in the patent application the Court felt they were not significant. *This feeling completely ignored the objective evidence that such modifications were*

*required to change the aligner from an unworkable device into a commercially operable machine.* This feeling also provided the basis for the unusual legal conclusion on Page 5 of the printed opinion that unless “such improvements would themselves be patentable, they do not necessarily suffice to bring within the experimental exception an invention which has otherwise traversed the statutory bounds of the exception”. (Citing *Tool Research*)

Although the above-quoted language appears somewhat ambiguous, petitioner understands that this Court believed the modifications made to the aligners during the Sears’ program had to be patentable in order to have the program fall under the experimental use doctrine. This requirement, of course, is completely at odds with the patent law and the Court in making this conclusion totally misapprehended the *Tool Research* case.

In *Tool Research* there was a public use of a so-called “flat-pack” method of making honeycomb over one year before the patent was filed. Subsequent to this first use, the inventor developed a “pre-formed” method and the patent application disclosed the latter method. The Court held that the differences between the two methods would have been obvious and accordingly the patent directed to the pre-formed method was invalid in view of the public use of the flat-pack method. Clearly the law of *Tool Research* does not apply to the facts in this case since in this case the patent application was directed to the inventor’s original concept of his apparatus.

Petitioner is not aware that any Court has heretofore contended the improvements made during an experimental program had to be patentable over the original inventive concept in order to justify an experimental use. There is certainly no statutory justification for such law and no decisional citations concerned with this concept could be located. It would be extremely unfortunate if this concept became the law in this Circuit based upon the decision in this case.

This Court also misapplied the facts in this case to the law as expressed in *Smith & Griggs* cited at Page 5 of the decision, this Court apparently being under the impression that Fike was merely trying to improve the quality of the performance of his aligner in conducting the Sears' program. The objective evidence in this case, as noted hereinabove, however established that the modifications were required to *change the aligner from an unworkable device into a commercially operable machine.*

Summarizing petitioner's position, this Court in finding a public use ignored the objective evidence demonstrating experimental use, overlooked the critical letter report of the inventor to Sears, and construed objective evidence which could just as well demonstrate an experimental use as a public use as demonstrating a public use. This action failed to give petitioner the benefit of the doubt as expressed in *Neff* and is thus not in uniformity with *Neff*. This Court also misapprehended the *Tool Research* case so as to erroneously conclude that since the modifications made during the Sears' program were not patentable the experimental use doctrine did not apply. Finally, the Court misapplied the facts in this case to the law of *Smith & Griggs*.

Petitioner therefor prays for a rehearing and ultimately for its day in Court — in open Court, not in camera.

Respectfully submitted,

FULWIDER, PATTON, RIEBER,  
LEE & UTECHT

By Francis A. Utecht  
*Attorneys for Petitioner*  
*Super Mold Corporation*

.....  
*Francis A. Utecht*